Security Deposit/ Performance **BANK GUARANTEE**

1. In Consideration of the General Manager (Elecl.) Procurement on behalf of the Bangalore Electricity Supply Company Ltd., 4th Floor, Corporate office, K.R.Circle, Bangalore (hereinafter called the "Company") having agreed to exempt M/s-------- ---------- (hereinafter called the "Contractor") from the demand under the terms and conditions of acceptance of orders made from time to time whereby contract is established between the General Manager (Elecl.) Procurement on behalf of the Company and the Contractor (hereinafter called the "Contract") for Rs.----------(Rupees----------only) against P.O.No:-------- Dt.--------for the supply of ---------- as guarantee for the due fulfillment by the said Contractor of the terms and conditions contained in the said contract on production of a Bank Guarantee for Rs.----------(Rupees----------only) we the ----------Bank having our registered office at----------and one of its branches at----------.

2. We, the ----------Bank, do hereby undertake to pay the amounts due and payable not exceeding Rs.----------/- (Rupees ----------) under this guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Company by reason of any breach by the said Contractor of any of the terms or conditions contained in the said contract or by reason of the Contactor's failure to perform the said Contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.----------.

3. We, the ----------Bank, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said contract have been fully paid and its claims satisfied or discharged or till the General Manager (Elecl.) Procurement, certifies that the terms and condition of the said accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before----------we the ----------Bank, shall be discharged from all liability under this guarantee thereafter.

4. We, the----------Bank, further agree with the company that the Company with mutual consent and without effecting in any manner the obligations of the parties may hereunder, vary and of the terms and conditions of the said Contract or to extend time of performance by the said Contractor from time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Contract and to forbear or enforce any of the terms and condition relating to the said Contract and the Bank shall not be relieved from liability by reason or any such variation, or extensions being granted to the said Contractor or for any forbearance act or omission on the part of the Company or any indulgence by the Company to the said Contract or by any such matter or

thing whatsoever which under the law relating to the sureties would but for this provision have effect of so relieving us.

5. We, ---------- further agree with the BESCOM that the BESCOM with mutual consent and without effecting in any manner the obligations of the parties may hereunder, vary and of the terms and conditions of the said contract or to extend time of performance by the said contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the BESCOM against the said contractor and to forbear or enforce any of the terms and conditions relating to the said contract and the bank shall not be relived from liability by reasons or any such variation, or extension being granted to the said contractor or for any forbearance, act or omission on the part of the BESCOM or any indulgence by the BESCOM to the said contractor or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so reliving us. However, nothing contained herein shall enlarge our liability from Rs. -------- (Rupees------) or extend in beyond six months from the date of the expiry of the validity.

6. We, the---------- Bank lastly undertake not to revoke this guarantee during its currency except with previous consent of the company in writing.

Notwithstanding anything contained herein:

I. Our liability under this Bank Guarantee shall not exceed ------

II. This Bank Guarantee shall be valid only up to----------and

III. We are liable to pay the guarantee mount or any part thereof under this Bank Guarantee only and only if we receive a written claim or demand within six months from the date of the expiry of the validity.

This Guarantee must be returned to the Bank once the purpose of the issuance has been fulfilled or upon its expiry whichever is earlier.

Place;

Dated: